

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 758 – HB 921

March 24, 2015

SUMMARY OF ORIGINAL BILL: Prohibits the placement of a priority school within the Achievement School District (ASD) if the school or local education agency meets certain requirements before the Commissioner of Education determines that the school shall be placed within the ASD as part of the school improvement program. These requirements include the school attaining a Tennessee Value-Added Assessment score of four or greater and the director of schools assigns a new principal to the school; the local board of education assigns the students in the school to a different school within the same LEA that is not identified as a priority school; or the LEA forms a community consortium to operate the priority school as a community school.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Less state and local Basic Education Program (BEP) funding will shift to the ASD than under current law if priority schools are able to meet the requirements set forth in the bill and are not placed in the ASD. Funding for schools that are not placed in the ASD will continue to flow to the appropriate LEA school. Any decrease in the amount of funds transferring into the ASD from an LEA cannot be reasonably quantified and is dependent upon multiple unknown factors.

The fiscal impact of Public Chapter 968 from the 108th General Assembly relative to the formation of community schools will be applicable if additional schools are incentivized by this bill to form a community school under the provisions of Tenn. Code Ann. § 49-6-Part 24. The fiscal impact of Public Chapter 968 did not place mandatory additional expenditures on state or local entities; assumed that any permissive increase in local expenditures would be not significant; and that private donations would be utilized to form such schools.

SUMMARY OF AMENDMENT (004563): Deletes all language of the original bill. Prohibits the placement of a priority school within the Achievement School District (ASD) if the school demonstrates student achievement growth at a level of “above expectations” or greater as determined by the Tennessee Value-Added Assessment System (TVAAS), and before the Commissioner of Education determines that the school shall be placed within the ASD as part of the school improvement program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – Less state and local Basic Education Program (BEP) funding will shift to the ASD than under current law if priority schools are able to meet the requirements set forth in the bill and are not placed in the ASD. Funding for schools that are not placed in the ASD will continue to flow to the appropriate LEA school. Any decrease in the amount of funds transferring into the ASD from an LEA cannot be reasonably quantified and is dependent upon multiple unknown factors.

Assumptions for the bill as amended:

- State and local BEP funding shifts from local education agencies (LEAs) to the ASD when a new school is placed into the ASD.
- It is unknown if any priority schools will be able to meet the requirements of the bill and avoid being placed into the ASD.
- Any decrease in the amount of state and local BEP funding that will be transferred as a result of fewer schools being placed into the ASD are dependent upon multiple unknown factors including how many schools will meet the requirements of the bill and will not be placed into the ASD; the enrollment of any such schools; the per pupil expenditure of LEAs where such schools are in operation; and the fiscal year in which such actions are successful.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/msg